
Fund Structure and Projected Fund Balances

The District organizes and accounts for its financial operations by fund, account group, and component unit. The three major fund types are governmental funds, proprietary funds, and fiduciary units. The District's governmental funds, used to account for all of the District's general activities, comprise:

- *General Fund*, the District's primary operating fund, accounts for all financial resources not accounted for in other funds. The budgetary basis of the General Fund includes the University of the District of Columbia, treated as a component unit for accounting purposes. A discussion of the General Fund financial plan and its revenue, expenditures, and fund balance is located in the Financial Plan Chapter 2.
- *Special Revenue Funds*, accounts for specific revenue that is legally restricted to expenditures for particular purposes. While the District plans to show federal grants in a special revenue fund in the FY 2002 Comprehensive Annual Financial Report, it currently has only two such funds:
 - The *Tobacco Settlement Financing Program* accounts for activities relating to the tobacco litigation settlement.
 - The *Tax Increment Financing Program*

accounts for activities relating to tax increment financing development initiatives.

- *Capital Projects Funds*, account for the purchase or construction of fixed assets wholly or partly financed by capital grants, dedicated taxes or general long-term debt other than those financed wholly by an individual fund or unit. Two funds comprise the Capital Projects Funds:
 - The *General Capital Improvements Fund* accounts for all capital projects activity not in the Highway Trust Fund.
 - The *Highway Trust Fund* accounts for capital projects activity wholly or partly financed by transfers of taxes, fees, capital grants, and other revenue dedicated to highway projects,

While a detailed discussion of the Capital Improvements Plan Fund and budget request are located in the Capital Improvements Plan chapter of this volume and in the Capital Appendices volume, a summary of the financial plans and projected fund balances is presented in Table E-1 at the end of this section.

- *Fiduciary Funds*, accounts for assets held by the District in a trustee capacity or as an agent for private entities, other governments and/or other District funds. The District's

fiduciary funds are:

- *Unemployment Compensation Trust Fund*, accounts for funds used to pay benefits to unemployed former employees of the District, federal government, and private employers within the District. The fund is administered by the Department of Employment Services.
- *Pension Trust Funds*, accounts for resources used for retirement annuity payments for police officers, firefighters, public school teachers and their survivors. The funds are administered by a thirteen-member Retirement Board.
- *Agency funds*, accounts for refundable deposits required of various licenses, monies held in escrow, and other assets held by the District in a purely custodial capacity. The funds are administered by various District agencies.

The District has one proprietary fund, the Lottery and Games Fund. That fund is also an enterprise fund. It not only operates and is financed like a private business where net income is key to sound management, but it also can finance the costs of its goods and services provided to the public on a continuing basis primarily through user charges. The Lottery accounts for revenue from lotteries and daily numbers games all operated by the District and from licenses to conduct charitable games. The Lottery exists solely to transfer its profits to help finance the General Fund. A discussion of the fund financial plan and budget request is in Section I, Enterprise and Other Funds.

Two *account groups* account for all fixed assets of the District other than those in the proprietary fund and component units and all long-term debt and vacation, sick and other leave benefits other than those in the proprietary fund and component units.

The District also has five component units. Component units are legally separate organizations for which the elected officials of the District are financially accountable. The Mayor appoints

the voting majority of their governing bodies. Section I, Enterprise and Other Funds, contains a discussion of the individual unit budget requests for all but the university unit. The University budget request financial plan is in Section D, Public Education System. The five component units comprise:

- *Water and Sewer Unit*, accounts for the provision of water and sewer services to the District, suburban Maryland, and northern Virginia. Of the eleven-member governing board of the Water and Sewer Authority (WASA), six are appointed by the Mayor with the consent of the Council and five are appointed by the Mayor upon recommendations from the other participating jurisdictions. Because WASA is responsible for repayment of a portion of the District's outstanding general obligation bonds (issued for water and sewer capital projects prior to WASA's creation), WASA is considered a component unit of the District.
- *Convention Center Unit*, accounts for maintaining and operating the Washington Convention Center for local public shows, civic events, and other activities. Nine directors govern the Convention Center: the Chief Financial Officer of the District, the Director of the Office of Tourism and Promotion, and seven appointed by the Mayor with the consent of the Council.
- *Sports Commission Unit*, accounts for maintaining and operating the National Guard Armory for nonmilitary events and the Robert F. Kennedy Memorial Stadium and promoting the District as a sporting event site. The eleven-member governing body consists of the Chief Financial Officer of the District, the Director of the Department of Recreation and Parks, a District government official appointed by the Mayor, and eight directors appointed by the Mayor with Council consent.
- *Housing Finance Unit*, accounts for cash received from public and private sources used

to alleviate the shortage of housing through a greater supply of and less expensive mortgages and construction loans. The Unit comprises five funds: General, Multi-Unit Housing Finance Corporation, Single-Family Program, and D.C. Building Finance Corporation. A budget is prepared for only the General Fund. The five-member governing body is appointed by the Mayor with the consent of the Council.

- *University Unit*, accounts for resources received and used by the University of the District of Columbia. The Unit contains four separate fund groups: Current Funds, Loan Fund, Endowment Fund, and Plant Funds. A budget, included in the General Fund budget, is prepared for only the Current Funds. A fifteen-member Board of Trustees governs the University. Eleven members are appointed by the Mayor with Council consent appoints eleven members, one is a full-time student, and three members are appointed by the alumni association.

Table 1 shows the FY 2002 revised and FY 2003 projected financial plans and fund balances for each fund and component unit. To the extent possible, the estimates use the accounting bases appropriate to each fund. For the units, except the University Current Funds, those bases differ from the budget bases by including depreciation expense, not principal repayments and capital expenditures. The fund statements are not totaled because interfund transfers are included in revenue and expenses and would be double counted in a rollup. The Convention Center FY 2003 budgeted expenses are subject to change pending board approval. In addition, the University Unit estimates, reflecting only the University Current Funds, are also included in the General Fund. The Housing Finance Unit reflects only that unit's General Fund exclusive of federal grant pass-throughs. Finally, the financial plan for the Water and Sewer Unit is on a cash basis, not the proprietary fund basis used for the other component units.

Table 1:

The District's Governmental Funds, Enterprise Fund, and Component Units

	Governmental Funds			Enterprise Fund		Component Units			
	General	General Capital Improvements	Lottery and Games	Convention Center	Housing Finance	University	Sports Commission	Water and Sewer	
Beginning Fund Balance 10/01/01	562,245	(57,943)	3,374	272,748	3,334	24,902	6,813	Beginning Cash Reserves 10/01/01	116,527
Plus Revised FY 2002 Budget Revenue/Sources	5,474,443	727,439	229,688	69,394	85,431	8,242	11,182	Plus Revised FY 2002 Budget Revenue	247,088
Less Revised FY 2002 Budgeted Expenditures/Uses	5,467,944	(798,994)	(229,688)	(31,515)	(85,431)	(4,710)	(12,065)	Less Revised FY 2002 Budgeted Disbursements	(238,472)
								Less FY 2002 Net Payments from Reserves	(20,592)
Projected Fund Balance 9/30/02	559,871 (a)	(129,498)	3,374	310,627	3,334	28,434	5,930	Projected Cash Reserves 9/30/02	104,551
Plus FY 2003 Budget Revenue/Sources	5,629,583	661,463	233,000	77,260	90,178	8,681	13,823	Plus FY 2003 Budget Revenue	264,823
Less FY 2003 Budgeted Expenditures/Uses	5,629,349	661,463	(232,881)	(48,425)	(90,178)	(5,797)	(13,751)	Less FY 2003 Budgeted Disbursements	(246,928)
								Less FY 2003 Net Payments from Reserves	(22,860)
Projected Fund Balance 9/30/03	560,105	(129,498)	3,493	339,462	3,334	31,318	6,002	Projected Cash Reserves 9/30/03	99,586

Note: (a) Includes projected GAAP adjustment.